No. 6674

UNITED STATES OF AMERICA
and
REPUBLIC OF KOREA

Agricultural Commodities Agreement under Title I of the Agricultural Trade Development and Assistance Act, as amended (with exchange of notes). Signed at Seoul, on 7 November 1962

Official text: English.

Registered by the United States of America on 24 April 1963.

ÉTATS-UNIS D'AMÉRIQUE
et
RÉPUBLIQUE DE CORÉE

Accord relatif aux produits agricoles, conclu dans le cadre du titre I de la loi tendant à développer et à favoriser le commerce agricole, telle qu'elle a été modifiée (avec échange de notes). Signé à Séoul, le 7 novembre 1962

Texte officiel anglais.

Enregistré par les États-Unis d'Amérique le 24 avril 1963.

No. 6674. AGRICULTURAL COMMODITIES AGREEMENT[1] BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE REPUBLIC OF KOREA UNDER TITLE I OF THE AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT, AS AMENDED. SIGNED AT SEOUL, ON 7 NOVEMBER 1962

The Government of the United States of America and the Government of the Republic of Korea :

Recognizing the desirability of expanding trade in agricultural commodities between their two countries and with other friendly countries in a manner which would not displace usual marketings of the United States of America in these commodities or unduly disrupt world prices of agricultural commodities or normal patterns of commercial trade with friendly countries ;

Considering that the purchase for Korean won of agricultural commodities produced in the United States of America will assist in achieving such an expansion of trade ;

Considering that the won accruing from such purchases will be utilized in a manner beneficial to both countries ;

Desiring to set forth the understandings which will govern the sales, as specified below, of agricultural commodities to Korea pursuant to Title I of the Agricultural Trade Development and Assistance Act, as amended (hereinafter referred to as the Act), and the measures which the two Governments will take individually and collectively in furthering the expansion of trade in such commodities ;

Have agreed as follows :

Article I

Sales for won

1. Subject to issuance by the Government of the United States of America and acceptance by the Government of the Republic of Korea of purchase authorizations and to the availability of commodities under the Act at the time of exportation, the

[1] Came into force on 7 Novembre 1962, upon signature, in accordance with article VI.

Government of the United States of America undertakes to finance the sales for won, to purchasers authorized by the Government of the Republic of Korea, of the following agricultural commodities in the amounts indicated :

Commodity	*Export Market Value (millions)*
Wheat	$25.74
Cotton	20.25
Corn	.96
Grain sorghums	.42
Tallow	1.97
Ocean Transportation (estimated)	4.98
TOTAL	$54.32

2. Applications for purchase authorizations will be made within 90 calendar days of the effective date of this Agreement, except that applications for purchase authorizations for any additional commodities or amounts of commodities provided for in any amendment to this Agreement will be made within 90 days after the effective date of such amendment. Purchase authorizations will include provisions relating to the sale and delivery of commodities, the time and circumstances of deposit of the won accruing from such sale, and other relevant matters.

3. The financing, sale and delivery of commodities under this Agreement may be terminated by either Government if that Government determines that because of changed conditions the continuation of such financing, sale or delivery is unnecessary or undesirable.

Article II

USES OF WON

The won accruing to the Government of the United States of America as a consequence of sales made pursuant to the Agreement will be used by the Government of the United States of America, in such manner and order of priority as the Government of the United States of America shall determine, for the following purposes, in the amounts shown :

1. For United States expenditures under subsections (*a*), (*b*), (*f*) and (*h*) through (*s*) of Section 104 of the Act or under any of such subsections, 10.0 percent of the won accruing pursuant to this Agreement.

2. For loans to be made by the Agency for International Development of Washington (hereinafter referred to as AID) under Section 104 (*e*) of the Act and for

administrative expenses of AID in Korea incident thereto, 2.2 percent of the won accruing pursuant to this Agreement. It is understood that :

a. Such loans under Section 104(*e*) of the Act will be made to United States business firms and branches, subsidiaries or affiliates of such firms in the Republic of Korea for business development and trade expansion in the Republic of Korea, and to United States firms and Republic of Korea firms for the establishment of facilities for aiding in the utilization, distribution, or otherwise increasing the consumption of and markets for United States agricultural products.

b. Loans will be mutually agreeable to AID and the Government of the Republic of Korea, acting through the Bank of Korea. The Governor of the Bank of Korea, or his designate, will act for the Government of the Republic of Korea, and the administrator of AID, or his designate, will act for AID.

c. Upon receipt of an application which AID is prepared to consider, it will inform the Bank of Korea of the identity of the applicant, the nature of the proposed business, the amount of the proposed loan, and the general purposes for which the loan proceeds would be expended.

d. When AID is prepared to act favorably upon an application, it will so notify the the Bank of Korea and will indicate the interest rate and the repayment period which would be used under the proposed loan. The interest rate will be similar to that prevailing in the Republic of Korea on comparable loans, and the maturities will be consistent with the purposes of the financing.

e. Within sixty days after the receipt of notice that AID is prepared to act favorably upon an application, the Bank of Korea will indicate to AID whether or not the Bank of Korea has any objection to the proposed loan. Unless within the sixty-day period AID has received such a communication from the Bank of Korea, it shall be understood that the Bank of Korea has no objection to the proposed loan. When AID approves or declines the proposed loan, it will notify the Bank of Korea.

f. In the event the won set aside for loans under Section 104 (*e*) of the Act are not advanced within three years from the date of this Agreement because AID has not approved loans or because proposed loans have not been mutually agreeable to AID and the Bank of Korea, the Government of the United States of America may use the won for any purpose authorized by Section 104 of the Act.

3. To procure military equipment, material, facilities and services for Korean defense forces in accordance with Section 104 (*c*) of the Act, 87.8 percent of the won accruing pursuant to this Agreement.